

**RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA**

FINANCIAL REPORT

December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/14/10

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HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Parish Police Jury (the "Jury") as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements of the Jury's primary government as listed in the table of contents. These financial statements are the responsibility of the management of the Jury. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Jury's primary government unless the Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Jury has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the amounts of the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units that would have been reported are not known.

In our opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Jury, as of December 31, 2009, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Jury as of December 31, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2010 on our consideration of the Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Jury's primary government. Management's discussion and analysis and the budgetary comparison schedules, presented as required supplementary information, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the required supplementary information and express no opinion on it. The other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/Hill, Inzina & Co.

May 20, 2010

REQUIRED SUPPLEMENTARY INFORMATION (Part 1 of 2)

RICHLAND PARISH POLICE JURY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the Year Ended December 31, 2009

As management of Richland Parish Police Jury (the "Jury"), we offer readers of the financial statements of the Jury's primary government this narrative overview and analysis of the financial activities of the Jury for the fiscal year ended December 31, 2009. This discussion and analysis of management is designed to provide an objective and easy-to-read analysis of the Jury's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Jury's finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the Jury based on information presented in the financial report and fiscal policies that have been adopted by the Jury. Specifically, this section is designed to assist the readers in focusing on significant financial issues, provide an overview of the Jury's financial activity, identify changes in the Jury's financial position (its ability to address the next and subsequent years' challenges), identify any material deviations from the financial plan (the approved budget), and identify individual issues or concerns.

As with other sections of this financial report, the information contained within this discussion and analysis of management should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and supplementary information that are provided in addition to this discussion and analysis of management.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Jury's financial statements. The Jury's basic financial statements consist of the following components:

1. Government-wide financial statements.
2. Fund financial statements.
3. Notes to financial statements.

In addition to the basic financial statements, the Jury also includes in a subsequent section of this report additional information to supplement the basic financial statements.

1. Government-wide financial statements

Government-wide financial statements are designed by the GASB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time with a concise "entity-wide" statement of net assets and statement of activities, seeking to give the users of the financial statements a broad overview of the Jury's financial position and results of operations in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Jury's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies, with the elimination of internal activities. The difference between assets and liabilities is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Jury is improving or weakening. Evaluation of the overall economic health of the Jury would extend to other nonfinancial factors in addition to the financial information provided in this report.

The statement of activities presents information detailing how the Jury's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of this statement is to show the financial reliance of the Jury's distinct activities or functions on revenues provided by the citizenry of the parish.

The government-wide financial statements report governmental activities of the Jury that are principally supported by taxes and intergovernmental revenues. Governmental activities include general government, public safety, public works, health and welfare, culture and recreation, and debt service.

2. Fund financial statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Jury uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Jury as a whole with major funds being separately reported.

The Jury has only one fund type. Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Jury's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and commitment of spendable resources for the near-term.

As the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. A reconciliation from both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances to the government-wide statements is provided to assist in understanding the differences between these two perspectives.

3. Notes to financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the financial statements.

Government-Wide Financial Analysis

The following provides a summary of the net assets of the Jury's governmental activities as of December 31:

	<u>2009</u>	<u>2008</u>
Other assets	\$ 6,578,450	\$ 5,406,683
Capital assets	<u>2,719,543</u>	<u>2,737,498</u>
Total assets	<u>\$ 9,297,993</u>	<u>\$ 8,144,181</u>
Other liabilities	\$ 1,925,715	\$ 1,701,321
Long-term liabilities	<u>535,506</u>	<u>800,304</u>
Total liabilities	<u>\$ 2,461,221</u>	<u>\$ 2,501,625</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 2,212,611	\$ 1,980,709
Restricted for debt service	96,233	85,958
Unrestricted	<u>4,527,928</u>	<u>3,575,889</u>
Total net assets	<u>\$ 6,836,772</u>	<u>\$ 5,642,556</u>

As noted earlier, net assets may serve over time as a useful indicator of the Jury's financial position. The Jury will use the unrestricted net assets to meet the ongoing obligations to users of its services and creditors.

Governmental Activities

The following provides a summary of the Jury's net asset changes between the two years ended December 31:

	<u>2009</u>	<u>2008</u>
Revenues and special items:		
Program revenues:		
Charges for services	\$ 1,111,897	\$ 406,454
Operating grants and contributions	1,027,091	1,021,865
Capital grants and contributions	37,177	16,735
General revenues:		
Taxes	5,609,054	4,815,835
Intergovernmental	542,133	605,452
Unrestricted investment earnings and miscellaneous	124,280	415,994
Total revenues	<u>\$ 8,451,632</u>	<u>\$ 7,282,335</u>
Expenses:		
General government	\$ 1,093,837	\$ 909,472
Public safety	305,588	242,032
Public works	4,828,826	4,006,338
Health and welfare	218,299	207,411
Culture and recreation	604,377	530,948
Economic development	162,944	52,124
Debt service	29,453	46,756
Total expenses	<u>\$ 7,243,324</u>	<u>\$ 5,995,081</u>
Change in net assets	\$ 1,208,308	\$ 1,287,254
Net assets - beginning	<u>5,628,464</u>	<u>4,355,302</u>
Net assets - ending	<u>\$ 6,836,772</u>	<u>\$ 5,642,556</u>

The Jury's total revenues increased by \$1,169,297 while expenses increased also by \$1,248,243. The majority of the revenue increases was from charges for services and taxes while the majority of the expenditure increases was the result of work on FEMA projects.

Program revenues derive directly from the program itself or from parties outside the Jury's taxpayers or citizenry. As a whole, they reduce the cost of the function to be financed from the Jury's general revenues. General revenues are used to pay for governmental activities whose cost is not reduced by program revenues. The Jury was heavily reliant on general revenues to support governmental operations for both years. General government and public works were the Jury's largest expenses for both years with both also having significant tax-based (general revenue) funding.

Financial Analysis of Governmental Funds

The Jury's major governmental funds and related fund balances as of December 31 were:

	<u>2009</u>	<u>2008</u>
General	\$ 175,738	\$ 305,133
Road Maintenance	2,333,646	1,730,884
Drainage Maintenance	916,009	664,999
Library	663,100	461,575

Determination of the Jury's major governmental funds are made for each audit period. All fund balances of the governmental funds were unreserved at each year-end.

Budgetary Highlights

Budgets for all required funds were adopted for the year ended December 31, 2009 which complied with financial policies approved by the jurors and maintained core Jury services. There were no significant (exceeding 5% or more) budget variances in the major funds for the year ended December 31, 2009.

Capital Assets and Debt Administration

The Jury's major capital asset additions during the current fiscal year were purchasing six vehicles with available funds. Depreciation of capital assets of \$244,222 for the year ended December 31, 2009 was recorded in the governmental activities of the government-wide financial statements.

During the year ended December 31, 2009, the Jury acquired no new debt. At the end of the fiscal year, the Jury had long-term liabilities consisting of bank loans, certificates of deposit, capital leases, and compensated absences. The long-term liabilities will be liquidated by either the General, Road Maintenance, Drainage Maintenance, or Courthouse Maintenance Funds.

Economic Factors and Next Year's Budget

The Jury's original budgets for the year ending December 31, 2010 were prepared based on a projected increase in ad valorem and sales tax revenues with expenditures increasing also. The 2010 original combined budget totaled \$13,174,350 compared to the 2009 original budget of \$10,760,768.

Requests for Information

This financial report is designed to provide a general overview of the Jury's financial picture for all those with an interest in the Jury's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Secretary/Treasurer, Post Office Box 668, Rayville, Louisiana 71269-0668.

BASIC FINANCIAL STATEMENTS

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

STATEMENT OF NET ASSETS - PRIMARY GOVERNMENT -
GOVERNMENTAL ACTIVITIES
December 31 , 2009

ASSETS

Cash	\$ 4,643,047
Certificates of deposit	57,978
Receivables	1,781,192
Restricted asset:	
Cash	96,233
Capital assets:	
Land	306,673
Other capital assets, net of depreciation	<u>2,412,870</u>
Total assets	<u>\$ 9,297,993</u>

LIABILITIES

Accounts payable	\$ 158,413
Payroll withholdings	2,455
Accrued interest	7,786
Deferred revenue	1,687,824
Property taxes paid under protest	69,237
Long-term liabilities:	
Due within one year	209,277
Due in more than one year	<u>326,229</u>
Total liabilities	<u>\$ 2,461,221</u>

NET ASSETS

Invested in capital assets, net of related debt	\$ 2,212,611
Restricted for debt service	96,233
Unrestricted	<u>4,527,928</u>
Total net assets	<u>\$ 6,836,772</u>
Total liabilities and net assets	<u>\$ 9,297,993</u>

See notes to financial statements.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

STATEMENT OF ACTIVITIES - PRIMARY GOVERNMENT -
GOVERNMENTAL ACTIVITIES
For the Year Ended December 31, 2009

		<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
Functions/Programs:					
Current:					
General government:					
Legislative	\$ 191,379	\$ -	\$ -	\$ -	\$(191,379)
Judicial	323,780	304,729	15,729	-	(3,322)
Elections	18,049	-	-	-	(18,049)
Finance and administrative	267,164	96,555	-	-	(170,609)
Other	293,465	21,437	-	-	(272,028)
Public safety	305,588	43,970	375,771	37,177	151,330
Public works	4,828,826	641,121	616,472	-	(3,571,233)
Health and welfare	218,299	-	-	-	(218,299)
Culture and recreation	604,377	4,085	19,119	-	(581,173)
Economic development	162,944	-	-	-	(162,944)
Debt service:					
Interest	<u>29,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,453)</u>
Total governmental activities	<u>\$ 7,243,324</u>	<u>\$ 1,111,897</u>	<u>\$ 1,027,091</u>	<u>\$ 37,177</u>	<u>\$(5,067,159)</u>
General revenues:					
Taxes					\$ 5,609,054
Intergovernmental					542,133
Unrestricted investment earnings and miscellaneous					<u>124,280</u>
Total general revenues					<u>\$ 6,275,467</u>
Change in net assets					\$ 1,208,308
Net assets - beginning					<u>5,628,464</u>
Net assets - ending					<u>\$ 6,836,772</u>

See notes to financial statements.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2009

	<u>General</u>	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>
ASSETS			
Cash	\$ 221,169	\$ 2,075,297	\$ 1,165,762
Certificates of deposit	21,267	-	-
Receivables	712,094	45,222	808
Restricted asset:			
Cash	-	-	-
Due from other funds	<u>38,681</u>	<u>306,175</u>	<u>1,828</u>
 Total assets	 <u>\$ 993,211</u>	 <u>\$ 2,426,694</u>	 <u>\$ 1,168,398</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 36,271	\$ 85,073	\$ 19,834
Payroll withholdings	2,455	-	-
Due to other funds	72,524	7,975	232,555
Deferred revenue	680,348	-	-
Property taxes paid under protest	25,875	-	-
Total liabilities	<u>\$ 817,473</u>	<u>\$ 93,048</u>	<u>\$ 252,389</u>
Fund balances:			
Reserved for debt service	\$ -	\$ -	\$ -
Unreserved and undesignated	<u>175,738</u>	<u>2,333,646</u>	<u>916,009</u>
Total fund balances	<u>\$ 175,738</u>	<u>\$ 2,333,646</u>	<u>\$ 916,009</u>
 Total liabilities and fund balances	 <u>\$ 993,211</u>	 <u>\$ 2,426,694</u>	 <u>\$ 1,168,398</u>

See notes to financial statements.

<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 680,097	\$ 500,722	\$ 4,643,047
31,180	5,531	57,978
850,925	172,143	1,781,192
-	96,233	96,233
<u>1,938</u>	<u>1,008</u>	<u>349,630</u>
<u>\$ 1,564,140</u>	<u>\$ 775,637</u>	<u>\$ 6,928,080</u>

\$ 7,087	\$ 10,148	\$ 158,413
-	-	2,455
-	36,576	349,630
857,124	150,352	1,687,824
<u>36,829</u>	<u>6,533</u>	<u>69,237</u>
<u>\$ 901,040</u>	<u>\$ 203,609</u>	<u>\$ 2,267,559</u>

\$ -	\$ 96,233	\$ 96,233
<u>663,100</u>	<u>475,795</u>	<u>4,564,288</u>
<u>\$ 663,100</u>	<u>\$ 572,028</u>	<u>\$ 4,660,521</u>
<u>\$ 1,564,140</u>	<u>\$ 775,637</u>	<u>\$ 6,928,080</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009

	<u>General</u>	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>
Revenues:			
Taxes	\$ 511,959	\$ 2,579,208	\$ 1,345,674
Licenses and permits	96,555	-	-
Intergovernmental	596,882	926,208	-
Fees, charges, and commissions for services	45,032	641,121	-
Fines and forfeitures	6,471	-	-
Interest and miscellaneous	23,676	40,937	11,085
	<u>\$ 1,280,575</u>	<u>\$ 4,187,474</u>	<u>\$ 1,356,759</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 191,379	\$ -	\$ -
Judicial	63,517	-	-
Elections	18,049	-	-
Finance and administrative	269,879	-	-
Other	44,143	-	-
Public safety	291,665	-	-
Public works	-	3,681,249	980,505
Health and welfare	61,767	-	-
Culture and recreation	-	-	-
Economic development	162,944	-	-
Debt service	13,340	130,760	51,212
Capital outlay	37,177	74,032	74,032
	<u>\$ 1,153,860</u>	<u>\$ 3,886,041</u>	<u>\$ 1,105,749</u>

<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 757,735	\$ 414,478	\$ 5,609,054
-	-	96,555
67,546	15,765	1,606,401
2,640	1,682	690,475
1,445	316,951	324,867
13,072	42,677	131,447
<u>\$ 842,438</u>	<u>\$ 791,553</u>	<u>\$ 8,458,799</u>

\$ -	\$ -	\$ 191,379
-	260,263	323,780
-	-	18,049
-	-	269,879
-	229,705	273,848
-	-	291,665
-	7,140	4,668,894
-	126,039	187,806
596,346	-	596,346
-	-	162,944
-	85,021	280,333
24,566	39,047	248,854
<u>\$ 620,912</u>	<u>\$ 747,215</u>	<u>\$ 7,513,777</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (Continued)
For the Year Ended December 31, 2009

	<u>General</u>	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>
Excess of revenues over expenditures	\$ 126,715	\$ 301,433	\$ 251,010
Other financing sources:			
Operating transfers in (out)	<u>14,960</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	\$ 141,675	\$ 301,433	\$ 251,010
Fund balances - beginning	305,132	1,732,213	664,999
Prior period adjustment	(300,000)	300,000	-
Residual equity transfers in (out)	<u>28,931</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 175,738</u>	<u>\$ 2,333,646</u>	<u>\$ 916,009</u>

See notes to financial statements.

<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 221,526	\$ 44,338	\$ 945,022
<u>(20,000)</u>	<u>5,040</u>	<u>-</u>
\$ 201,526	\$ 49,378	\$ 945,022
461,574	551,581	3,715,499
-	-	-
<u>-</u>	<u>(28,931)</u>	<u>-</u>
<u>\$ 663,100</u>	<u>\$ 572,028</u>	<u>\$ 4,660,521</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO GOVERNMENT-WIDE STATEMENT OF NET ASSETS
December 31, 2009

Total fund balances - governmental funds balance sheet	\$ 4,660,521
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Amounts reported for governmental activities in statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,719,543
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Capital leases, bank loans, certificates of indebtedness, compensated absences, and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	<u>(543,292)</u>
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Total net assets of governmental activities - government-wide statement of net assets	<u>\$ 6,836,772</u>
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See notes to financial statements.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
December 31, 2009

Net changes in fund balances - governmental funds	\$ 945,022
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Amounts reported for governmental activities in statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$244,222) and other (\$7,167) exceeded capital outlay (\$248,854) in the current period.	(2,535)
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Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	14,941
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Governmental funds report principal and interest payments on long-term obligations as an expense when actually paid. However, in the statement of activities, interest is expensed as accrued and principal payments are reported as reductions of the related debt. This is the amount related to these reporting differences.	<u>250,880</u>
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Changes in net assets of governmental activities - government-wide statement of activities	<u>\$ 1,208,308</u>
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**RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2009**

Note 1. Organization and Summary of Significant Accounting Policies

Richland Parish Police Jury (the "Jury") is the governing authority for Richland Parish and is a political subdivision of State of Louisiana. The Jury is governed by nine compensated jurors representing, by election, the various districts within the parish. The jurors serve four-year terms that expire on December 31, 2011.

Louisiana Revised Statute 33:1236 gives the Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of these are the powers to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks in part is provided by ad valorem taxes, sales taxes, severance taxes, permits, state revenue sharing, and various other state and federal grants.

The parish is located in northeast Louisiana and its population is approximately 21,000. Approximately 575 miles of roads are maintained by the parish. The Jury employs approximately 90 people.

In accomplishing its objectives, the Jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, and health care facilities.

The more significant of the Jury's accounting policies are described below:

Financial Reporting Entity:

As the governing authority of the parish, for reporting purposes, the Jury is the financial reporting entity for Richland Parish. The financial reporting entity consists of (a) the primary government (Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

NOTES TO FINANCIAL STATEMENTS

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be considered part of the Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. the ability of the Jury to impose its will on that organization and/or,
 - b. the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Jury.
2. Organizations for which the Jury does not appoint a voting majority but are fiscally dependent on the Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Jury has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Fifth Judicial District Criminal Court Fund	12-31	3
Northside Utility District No. 2	12-31	1
Richland Parish Hospital Service Districts No. 1, 1A, 1B, and 1C	9-30	1 and 2
Start-Girard Fire Protection District	12-31	1
Archibald-Alto Fire Protection District	12-31	1
Holly Ridge Fire Protection District	12-31	1
Mangham Fire Protection District	12-31	1
Richland Parish Communications District	12-31	1
Richland Parish Fire Protection District No. 8	12-31	1
Richland Parish Sales and Use Tax Commission	6-30	2
Ward One Rural Fire Protection District	12-31	1

NOTES TO FINANCIAL STATEMENTS

The primary government's (Jury's) financial statements include all funds under the Jury's control and certain organizations for which the Jury maintains the accounting records. The Jury maintains the accounting records for Fifth Judicial District Criminal Court Fund. This fund is considered a part of the Jury and is included in the primary government financial statements. The Jury has chosen to issue financial statements of the primary government (Jury) only; therefore, none of the other previously listed component units are included in the accompanying financial statements. The effect of the omission of these component units is unknown.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Jury).

Also considered in the determination of component units of the reporting entity were Richland Parish Sheriff, Richland Parish Clerk of Court, Richland Parish Tax Assessor, Richland Parish School Board, District Attorney and Judges for the Fifth Judicial District, and the various municipalities and nonprofit entities in the parish. It was determined that these governmental and nonprofit entities are not component units of Richland Parish Police Jury reporting entity. With the exception of the District Attorney and Judges for the Fifth Judicial District, these entities have separately elected governing bodies, are legally separate, and are fiscally independent of the Jury. They are considered by the Jury to be separate autonomous entities and issue financial statements separate from those of Richland Parish Police Jury reporting entity.

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net assets and the statement of activities that report financial information for the primary government (Jury). Individual funds are not displayed but the statements report governmental activities, generally supported by taxes and intergovernmental revenues. The Jury has no business-type activities, generally financed in whole or in part with fees charged to external customers.

NOTES TO FINANCIAL STATEMENTS

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report licenses, permits, fees, fines, forfeitures, and other charges to users of the Jury's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements:

Fund financial statements are provided for governmental funds with major individual governmental funds reported in separate columns and a composite column for non-major governmental funds.

Basis of Accounting, Measurement Focus, and Financial Statement Presentation:

The financial statements of the Jury are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Jury considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest related to long-term debt, as well as expenditures related to compensated absences, which are reported as expenditures in the year due. This same measurement focus and basis of accounting is used to calculate expenditures of federal awards.

NOTES TO FINANCIAL STATEMENTS

Major revenue sources susceptible to accrual are ad valorem taxes, sales taxes, gross receipts taxes, intergovernmental revenues, and fines and forfeitures. In general, other revenues are recognized when cash is received.

Fund Types:

The Jury reports the following major governmental funds:

General Fund - the general operating fund of the Jury and accounts for all financial resources, except those required to be accounted for in other funds.

Road Maintenance Fund - constructing, maintaining, and repairing public roads and bridges in the parish and for acquiring, maintaining, and/or operating road machinery and equipment.

Drainage Maintenance Fund - maintaining drainage canals and ditches in the parish and for acquiring, maintaining, and/or operating drainage machinery equipment.

Library Fund - maintaining the public libraries.

Budgets and Budgetary Accounting:

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer prior to December 31 of each year. During November, the finance committee reviews the proposed budgets and makes changes as it deems appropriate. Notice of the location and the availability of the proposed budgets for public inspection and the date of the public hearing to be conducted on the budgets are then advertised in the official journal of the Jury. Prior to its regular December meeting, the Jury conducts a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the Jury as a whole. The budgets are then adopted during a December meeting and notice of adoption, that includes budget summaries, is published in the official journal.

The secretary/treasurer presents necessary budget amendments to the Jury during the year when, in her judgement, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The formal adoption of amendments is included in the Jury's minutes published in the Jury's official journal.

NOTES TO FINANCIAL STATEMENTS

The Jury adopted annual budgets for all of the governmental funds on December 1, 2008. The annual budgets were prepared on a non-GAAP budgetary basis of accounting. All budget amendments were approved by the Jury. The budgetary comparison schedules included in the accompanying financial statements include the original and final adopted budgets. Amending the budgets to actual cash amounts at each December 31 is the common practice of the Jury and such was approved by the Jury on December 7, 2009. All annual appropriations lapse at fiscal year end.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Certificates of Deposit:

Cash includes amounts in demand deposits. Under state law, the Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

State law allows the Jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

If the original maturities of time deposits exceed 90 days, they are classified as certificates of deposit. As of December 31, 2009, the Jury's investments consisted of non-negotiable certificates of deposit.

Receivables:

Significant receivables include ad valorem tax revenues.

Uncollectible Allowance:

The statements contain no provision for uncollectible accounts. Jury's management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

NOTES TO FINANCIAL STATEMENTS

Interfund Transactions:

Activity between funds that are representative of lending/borrowing arrangements and other miscellaneous receivables/payables outstanding at the end of the fiscal year are reported as due to/from other funds (i.e. the current portion of interfund loans) in the fund financial statements.

Transfers and payments within the reporting entity that are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis are reported as operating transfers between funds of the reporting entity. Nonrecurring or nonroutine permanent transfers of net assets are reported as residual equity transfers.

Interfund transactions are eliminated in the government-wide financial statements while all are reported in the fund financial statements.

Restricted Asset:

Restricted assets are reported for cash legally restricted for the specified purpose of debt service payments.

When both restricted and unrestricted resources are available for use, it is the Jury's policy to use restricted resources first, then unrestricted resources as needed.

Capital Assets and Depreciation:

Capital assets, which include property, plant, and equipment, with useful lives of more than one year, are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are stated at fair value on the date of donation.

The Jury generally capitalizes individual infrastructure assets with cost of \$100,000 or more and all other assets with cost of \$2,500 or more as purchase and construction outlays occur. Jury's management opted upon implementing GASB 34 during the year ended December 31, 2004 not to retroactively report general infrastructure assets as there was no debt associated with those assets.

The costs of normal maintenance and repairs not adding to an asset's value or materially extending its useful life are not capitalized. Upon disposition of capital assets, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

NOTES TO FINANCIAL STATEMENTS

As surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20 - 40 years
Machinery and equipment	5 - 15 years

Deferred Revenue:

The Jury reports deferred revenue which arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed and revenue is recognized.

Accumulated Compensated Absences:

Full-time employees of the Jury earn from one to three weeks of annual leave each anniversary year of employment, depending on length of service. Accumulated annual leave must be used as of hire date anniversary of each year. Two non-accumulating personal holidays are earned each anniversary year by full-time employees. Sick time is accumulated using the same rates as for annual leave. Employees are not paid for accumulated sick leave.

Employees of the Library earn from ten to 20 days of annual leave each anniversary year of employment, depending upon professional status. Up to 10 days of annual leave may be accumulated, depending upon professional status. Upon termination of employment, employees may be paid for accumulated annual leave at their current rate of pay. Employees earn 12 days of sick leave each year and may accumulate up to 30 days. Employees are not paid for nonvesting accumulated sick leave upon termination of employment.

Management of the Criminal Court Fund has not established formal annual or sick leave policies.

NOTES TO FINANCIAL STATEMENTS

The Jury's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Estimated accrued compensated absences resulting from unused annual leave at the end of the fiscal year are recorded in the government-wide financial statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits or personal holidays upon termination of employment. No liability has been recorded in the government-wide or fund financial statements for the immaterial amount of accrued salaries earned by the employees as of December 31, 2009.

Compensated absences are paid from the fund responsible for the employee's compensation.

NOTES TO FINANCIAL STATEMENTS

Long-Term Liabilities:

In the government-wide financial statements, outstanding debt is reported as liabilities. The fund financial statements recognize proceeds of debt as other financing sources of the current period. Expenditures for long-term debt principal and interest payments are recorded in the fund financial statements in the year due.

Equity Classifications:

In the government-wide financial statements, equity is classified as net assets and classified further into three components:

1. Invested in capital assets, net of related debt - consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of the assets.
2. Restricted - consists of net assets with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted - consists of all other assets.

In the fund financial statements, governmental fund balances are classified as reserved or unreserved with unreserved further classified as undesignated as amounts are available for appropriation and not legally restricted for specified purposes. Fund balance is reserved for amounts not available for appropriation or legally restricted for specified purposes.

Revenue Recognition - Ad Valorem and Sales Taxes:

Ad valorem taxes attach as an enforceable lien on property as of the date of the tax rolls are filed with the recorder of mortgages which, by law, must be on or before November 15 of each year. Billed taxes become delinquent on January 1 of the following year. Richland Parish Sheriff bills and collects the Jury's property taxes using the assessed values determined by Richland Parish Tax Assessor. Revenues from ad valorem taxes are recognized as deferred revenue when levied.

NOTES TO FINANCIAL STATEMENTS

Sales/use taxes collected and held by other governments at year end on behalf of the Jury and those collected by other governments and remitted to the Jury within 60 days after December 31 for preceding months are recognized as revenue. The sales/use taxes are collected by Richland Parish Sales and Use Tax Commission and remitted to the Jury.

Note 2. Deposits with Financial Institutions

The following is a summary of cash and certificates of deposit (book balances) held by the Jury as of December 31, 2009:

Interest-bearing demand deposits	\$ 4,739,111
Time deposits	57,977
Petty cash	<u>170</u>
	<u>\$ 4,797,258</u>

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities were held in the name of the pledging fiscal agent bank in a holding or custodial bank that was mutually acceptable to both parties.

As of December 31, 2009, the Jury had \$4,908,112 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance and \$4,658,112 of pledged securities held by the custodial bank or its trust department or agent in the Jury's name.

There were no repurchase or reverse repurchase agreements as of December 31, 2009. The Jury had not formally adopted deposit and investment policies as of December 31, 2009 that limit the Jury's allowable deposits or investments and address the specific types of risk to which the Jury is exposed.

NOTES TO FINANCIAL STATEMENTS

Note 3. Receivables

A summary of receivables as of December 31, 2009 is as follows:

	<u>General</u>	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Library</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
Taxes:						
Ad valorem	\$ 675,602	\$ -	\$ -	\$ 850,925	\$ 149,266	\$ 1,675,793
Sales	-	1,549	808	-	168	2,525
Licenses and permits	3,500	-	-	-	-	3,500
Intergovernmental:						
Beer taxes	2,732	-	-	-	-	2,732
Severance taxes	7,881	-	-	-	-	7,881
Parish Transportation Act	-	43,673	-	-	-	43,673
State and federal grants	19,014	-	-	-	-	19,014
Fees, charges, and commissions for services	2,769	-	-	-	-	2,769
Fines and forfeitures	596	-	-	-	22,709	23,305
	<u>\$ 712,094</u>	<u>\$ 45,222</u>	<u>\$ 808</u>	<u>\$ 850,925</u>	<u>\$ 172,143</u>	<u>\$ 1,781,192</u>

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NOTES TO FINANCIAL STATEMENTS

Note 4. Taxes

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2009:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General corporate purposes	8.88	8.88	Perpetual
Health unit	1.17	1.17	2018
Library	6.67	6.67	2018

Total ad valorem taxes levied were \$1,687,823 for the above millages. As of December 31, 2009, \$69,237 of ad valorem taxes had been paid under protest from prior years' tax levies. No amounts were due from prior year tax levies as of December 31, 2009.

The following were the principal ad valorem taxpayers for Richland Parish as a whole:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Ad Valorem Tax Revenue</u>
Gulf South Pipeline Co.	\$ 16,224,900	\$ 1,290,790
Centerpoint Energy Gas	12,954,430	1,023,858
Southeast Supply Header	11,434,850	972,077
Gulf Crossing Pipeline	10,337,660	856,298

For the year ended December 31, 2009, sales taxes that expire on December 31, 2014 were levied as follows:

<u>Rate</u>	<u>Purpose</u>
78% of 1%	constructing, overlaying, improving, repairing, and maintaining public roads and bridges
14% of 1%	purchase and maintenance of equipment used for constructing, overlaying, improving, repairing, and maintaining public roads and bridges
8% of 1%	maintenance of courthouse
71% of ½%	constructing, improving, and maintaining public drains and drainage facilities
25% of 1%	purchase and maintenance of equipment used in constructing, improving, and maintaining public drains and drainage facilities
4% of 1%	maintenance of courthouse

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Receivables, Interfund Payables, and Operating Transfers

A summary of amounts due from/to other funds as of December 31, 2009 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Criminal Court	\$ 28,930
Road Maintenance	General	63,147
General	Payroll	1,776
General	Road Maintenance	7,975
Road Maintenance	Payroll	2,825
Road Maintenance	Drainage Maintenance	232,555
Road Maintenance	Health Unit	4,249
Road Maintenance	Courthouse Maintenance	3,399
Drainage Maintenance	Payroll	1,828
Health Unit	Payroll	270
Library	Payroll	1,938
Criminal Court	Payroll	<u>738</u>
		<u>\$ 349,630</u>

During the course of operations, numerous transactions occur between individual funds for goods or services rendered and for amounts recorded incorrectly. These receivables and payables are classified as due from other funds or due to other funds in the fund financial statements. The majority of interfund balances are expected to be repaid within one year from the date of the financial statements as funds become available.

NOTES TO FINANCIAL STATEMENTS

Note 6. Capital Assets and Depreciation

Capital assets and depreciation activity as of and for the year ended December 31, 2009 for the governmental activities is as follows:

	Balance - January 1, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Reclassifi- cations	Balance - December 31, <u>2009</u>
Capital assets not being depreciated:					
Land	\$ 306,673	\$ -	\$ -	\$ -	\$ 306,673
Construction in progress	<u>16,735</u>	<u>-</u>	<u>-</u>	<u>(16,735)</u>	<u>-</u>
Total capital assets not being depreciated	<u>\$ 323,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(16,735)</u>	<u>\$ 306,673</u>
Capital assets being depreciated:					
Buildings and improvements	\$ 2,652,330	\$ 39,047	\$ -	\$ 16,735	\$ 2,708,112
Machinery and equipment	<u>3,503,165</u>	<u>209,807</u>	<u>(116,955)</u>	<u>-</u>	<u>3,596,017</u>
Total capital assets being depreciated	<u>\$ 6,155,495</u>	<u>\$ 248,854</u>	<u>\$(116,955)</u>	<u>\$ 16,735</u>	<u>\$ 6,304,129</u>
Less accumulated depreciation for:					
Buildings and improvements	\$ 1,113,678	\$ 57,460	\$ -	\$ -	\$ 1,171,138
Machinery and equipment	<u>2,643,147</u>	<u>186,762</u>	<u>(109,788)</u>	<u>-</u>	<u>2,720,121</u>
Total accumulated depreciation	<u>\$ 3,756,825</u>	<u>\$ 244,222</u>	<u>\$(109,788)</u>	<u>\$ -</u>	<u>\$ 3,891,259</u>
Total capital assets being depreciated, net	<u>\$ 2,398,670</u>	<u>\$ 4,632</u>	<u>\$(7,167)</u>	<u>\$ 16,735</u>	<u>\$ 2,412,870</u>

Depreciation expense of the Jury for the year ended December 31, 2009 was charged to the following governmental functions:

General government	\$ 21,810
Public safety	13,923
Public works	169,274
Health and welfare	30,813
Culture and recreation	<u>8,402</u>
	<u>\$ 244,222</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Liabilities

The following is a summary of long-term obligation transactions for the year ended December 31, 2009:

	<u>Bank Loan</u>	<u>Certificates of Indebtedness</u>	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Totals</u>
Balance - January 1, 2009	\$ 19,091	\$ 381,000	\$ 356,698	\$ 43,515	\$ 800,304
Additions	-	-	-	-	-
Retirements	(12,536)	(69,000)	(168,321)	(14,941)	(264,798)
Balance - December 31, 2009	<u>\$ 6,555</u>	<u>\$ 312,000</u>	<u>\$ 188,377</u>	<u>\$ 28,574</u>	<u>\$ 535,506</u>

The following is a summary of the current (due within one year) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2009:

	<u>Bank Loan</u>	<u>Certificates of Indebtedness</u>	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Totals</u>
Current	\$ 6,555	\$ 72,000	\$ 102,148	\$ 28,574	\$ 209,277
Long-term	-	240,000	86,229	-	326,229
	<u>\$ 6,555</u>	<u>\$ 312,000</u>	<u>\$ 188,377</u>	<u>\$ 28,574</u>	<u>\$ 535,506</u>

During 2000, the Jury borrowed \$100,000 from a local financial institution and constructed a new motor vehicle office. The note is payable in monthly installments of \$1,112, bears interest at 6.0%, and matures over a period of ten years.

The annual requirement of the General Fund to amortize the bank loan payable as of December 31, 2009 is to pay principal payments of \$6,555 and interest payments of \$115 during the year ending December 31, 2010.

NOTES TO FINANCIAL STATEMENTS

On December 31, 2005, the Jury issued \$700,000 of certificates of indebtedness to a local financial institution to pay the costs of acquiring and constructing improvements and renovations to the courthouse, including equipment, fixtures, and furnishings and to pay costs of issuance of the certificates.

The principal of the certificates is payable annually on March 1st over a period of ten years from the issuance date and bear interest at a rate or rates not exceeding 5% per annum. Interest is payable on March 1st and September 1st of each year. The certificates are secured by and payable from a pledge and dedication of the excess of annual revenues of the Jury above statutory, necessary, and usual charges in each of the fiscal years in which the certificates are outstanding. In March 2008, the Jury paid the last two series of the certificates for years 2014 and 2015.

For the payment of the principal and interest on the certificates, a special sinking fund was established with the regularly designated fiscal agent bank of the Jury. As of December 31, 2009, the Jury was in compliance with the funding requirement.

The annual requirements of the Courthouse Maintenance Fund to amortize the certificates of indebtedness of the governmental activities as of December 31, 2009 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 72,000	\$ 21,738	\$ 93,738
2011	76,000	18,369	94,369
2012	80,000	14,742	94,742
2013	<u>84,000</u>	<u>10,867</u>	<u>94,867</u>
	<u>\$ 312,000</u>	<u>\$ 65,716</u>	<u>\$ 377,716</u>

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2009, the Jury had six equipment capital leases in effect with original recorded amounts of \$702,115. The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments to be paid from the funds:

Year Ending December 31,	Road Maintenance Fund	Drainage Maintenance Fund	Totals
2010	\$ 47,814	\$ 60,523	\$ 108,337
2011	18,822	55,867	74,689
2012	<u>9,411</u>	<u>4,656</u>	<u>14,067</u>
Total minimum lease payments	\$ 76,047	\$ 121,046	\$ 197,093
Less amounts representing interest	<u>(2,771)</u>	<u>(5,945)</u>	<u>(8,716)</u>
Present value of net minimum lease payments	<u>\$ 73,276</u>	<u>\$ 115,101</u>	<u>\$ 188,377</u>

As of December 31, 2009, employees of the Jury had accumulated and vested \$28,574 of employee leave benefits, which were computed in accordance with GASB Codification Section C60. The compensated absences liability will be liquidated by the General Fund (\$2,673), Road Maintenance Fund (\$14,584), Drainage Maintenance Fund (\$4,442), Health Unit Fund (\$500), Courthouse Maintenance Fund (\$2,359), and the Library Fund (\$4,016).

The Jury incurred and charged to expense \$30,475 of interest costs during the year ended December 31, 2009.

Note 8. Pension Plan and Other Pension Liabilities

Plan Description:

Substantially all employees of the Jury are members of Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer defined benefit pension plan, administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Jury are members of Plan A.

NOTES TO FINANCIAL STATEMENTS

Employee Eligibility Requirements:

All employees working at least 28 hours per week and all elected parish officials are eligible to participate.

Retirement Benefits:

Minimum <u>Age</u>	Years of <u>Service</u>	<u>Factor</u>	Percent of Final Average <u>Salary</u>
60	10	3%	30%
55	25	3%	75%
Any age	30	3%	90%

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. The System provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy:

State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by R.S. 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Jury is required to contribute at an actuarially determined rate. The current rate is 13.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The Jury's contributions to the System under Plan A for the years ended December 31, 2009, 2008 and 2007 were \$182,848, \$183,994, and \$176,182, respectively, equal to the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS

Legislative Changes:

Act 584 of 2006 implemented a new plan of benefits for employees hire January 1, 2007 and later. The changes affected the final average compensation, eligibility ages for normal retirement, years of service required for disability retirement eligibility, and the payment date of actuarial cost of leave conversion.

Other Pension Liabilities:

The Jury pays a portion of the salaries for employees of the registrar of voters and Fifth Judicial District Criminal Court. These employees are also covered by multiple-employer public employees retirement systems requiring employee and/or employer contributions. The Jury's and employees' contributions to the systems are considered immaterial with respect to the Jury and the benefit systems as a whole.

Note 9. Residual Equity Transfers

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the General Fund; therefore, \$28,931 was recorded as due to/from other funds and reported as a residual equity transfer in the fund financial statements.

Pursuant to Louisiana Revised Statute 15:255, the Off-Duty Officers Fund is to transfer to the Criminal Court Fund by January 31st of the following year, all surplus monies. In January 2009, \$11,603 was transferred from the Off-Duty Officers Fund to the Criminal Court Fund. Accordingly, for the year ended December 31, 2009, \$11,603 was reported as a residual equity transfer.

Note 10. Operating Leases

As of December 31, 2009, the Jury had entered into eight equipment operating leases having initial or remaining noncancellable terms in excess of one year. The annual commitments under these leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Totals</u>
2010	\$ 232,041
2011	159,691
2012	<u>106,205</u>
	<u>\$ 497,937</u>

NOTES TO FINANCIAL STATEMENTS

The Jury made rental payments of \$72,449 from the Road Maintenance Fund and \$127,497 from the Drainage Maintenance Fund during the year ended December 31, 2009 under these operating leases.

Note 11. On-Behalf Payments for Salaries

For the year ended December 31, 2009, the Jury recognized revenues and expenditures of \$15,729 in salary supplements and related payroll taxes from State of Louisiana with the salary supplements being paid to justices of the peace and constables.

Note 12. Contingencies and Risk Management

The Jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Jury carries commercial insurance for all risks of loss, including workers' compensation. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

As of December 31, 2009, there was only one pending or threatened litigation involving the Jury. As of the date of this report, legal counsel for the Jury advised that the case is in the early stages of discovery.

The Jury participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Jury has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable, if any, as of December 31, 2009 may be impaired. In the opinion of the Jury's management, there are no significant contingent liabilities as of December 31, 2009 relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTES TO FINANCIAL STATEMENTS

Note 13. Prior Period Adjustment

During the year ended December 31, 2008, \$300,000 was received by the Jury from Kansas City Southern Railway Company for closing railroad crossings and was deposited into the Road Fund. Management was questioned by the Legislative Auditor, while providing advisory services to the Jury, as to why the monies were deposited into the Road Fund. Management was informed that the closing of the railroad crossings did not have anything to do with the parish roads and the monies should have been deposited into the General Fund. Therefore, as of December 31, 2008, an interfund payable was recorded to transfer the monies from the Road Maintenance Fund to the General Fund. In July 2009, before the transfer was actually made, the Jury voted not to transfer the \$300,000 into the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION (Part 2 of 2)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - GENERAL FUND
For the Year Ended December 31, 2009

	<u>Original</u>	<u>Budget</u> <u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:				
Taxes	\$ 351,000	\$ 500,327	\$ 518,072	\$ 17,745
Licenses and permits	94,500	101,456	101,456	-
Intergovernmental	240,395	617,723	595,720	(22,003)
Fees, charges, and commissions for services	21,000	20,000	44,372	24,372
Fines and forfeitures	3,000	6,346	6,346	-
Interest and miscellaneous	5,000	15,089	24,000	8,911
	<u>\$ 714,895</u>	<u>\$ 1,260,941</u>	<u>\$ 1,289,966</u>	<u>\$ 29,025</u>
Expenditures:				
Current:				
General government:				
Legislative	\$ 146,940	\$ 173,603	\$ 192,980	\$(19,377)
Judicial	62,094	64,065	63,517	548
Elections	30,804	19,069	18,174	895
Finance and administrative	117,422	259,659	270,855	(11,196)
Other	49,192	25,199	43,875	(18,676)
Public safety	270,854	285,669	282,680	2,989
Health and welfare	67,923	63,518	62,167	1,351
Economic development and assistance	-	92,864	162,944	(70,080)
Debt service	-	-	13,340	(13,340)
Capital outlay	4,500	120,204	37,177	83,027
	<u>\$ 749,729</u>	<u>\$ 1,103,850</u>	<u>\$ 1,147,709</u>	<u>\$(43,859)</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - GENERAL FUND (Continued)
For the Year Ended December 31, 2009

	<u>Original</u>	<u>Budget</u> <u>Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Excess (deficiency) of revenues over expenditures	\$ (34,834)	\$ 157,091	\$ 142,257	\$ (14,834)
Other financing sources:				
Operating transfers in (out)	<u>20,000</u>	<u>32,567</u>	<u>14,960</u>	<u>(17,607)</u>
Net changes in fund balances	\$ (14,834)	\$ 189,658	\$ 157,217	\$ (32,441)
Fund balances - beginning (non-GAAP and GAAP budgetary basis)	6,734	224,634	5,133	(219,501)
Residual equity transfer in	<u>8,000</u>	<u>25,496</u>	<u>28,931</u>	<u>3,435</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ (100)</u>	<u>\$ 439,788</u>	\$ 191,281	<u>\$ (248,507)</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals			174,984	
Deferred revenue accruals			(184,376)	
Expenditure accruals			<u>(6,150)</u>	
Fund balance - ending (GAAP basis)			<u>\$ 175,739</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - ROAD MAINTENANCE FUND
For the Year Ended December 31, 2009

	<u>Budget</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 1,801,437	\$ 2,584,876	\$ 2,590,122	\$ 5,246
Intergovernmental	450,000	906,236	935,058	28,822
Fees, charges, and commissions for services	-	591,115	641,121	50,006
Interest and miscellaneous	-	26,213	41,987	15,774
	<u>\$ 2,251,437</u>	<u>\$ 4,108,440</u>	<u>\$ 4,208,288</u>	<u>\$ 99,848</u>
Expenditures:				
Current:				
Public works	\$ 3,021,981	\$ 3,998,433	\$ 3,746,457	\$ 251,976
Debt service	-	-	130,760	(130,760)
Capital outlay	159,195	225,227	74,032	151,195
	<u>\$ 3,181,176</u>	<u>\$ 4,223,660</u>	<u>\$ 3,951,249</u>	<u>\$ 272,411</u>
Excess (deficiency) of revenues over expenditures	\$ (929,739)	\$ (115,220)	\$ 257,039	\$ 372,259
Other financing sources (uses):				
Capital lease proceeds	-	177,123	-	(177,123)
Net changes in fund balances	\$ (929,739)	\$ 61,903	\$ 257,039	\$ 195,136
Fund balances - beginning (non-GAAP and GAAP budgetary basis)	<u>877,333</u>	<u>2,078,095</u>	<u>1,732,213</u>	<u>(345,882)</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ (52,406)</u>	<u>\$ 2,139,998</u>	<u>\$ 1,989,252</u>	<u>\$ (150,746)</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals			(20,813)	
Expenditure accruals			65,207	
Prior period adjustment			300,000	
Fund balance - ending (GAAP basis)			<u>\$ 2,333,646</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - DRAINAGE MAINTENANCE FUND
For the Year Ended December 31, 2009

	<u>Budget</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 898,475	\$ 1,348,631	\$ 1,351,369	\$ 2,738
Fees, charges, and commissions for services	-	-	10,064	10,064
Interest and miscellaneous	-	8,812	1,021	(7,791)
	<u>\$ 898,475</u>	<u>\$ 1,357,443</u>	<u>\$ 1,362,454</u>	<u>\$ 5,011</u>
Expenditures:				
Current:				
Public works	\$ 1,197,792	\$ 1,001,386	\$ 963,813	\$ 37,573
Debt service	-	-	51,212	(51,212)
Capital outlay	239,944	221,610	74,032	147,578
	<u>\$ 1,437,736</u>	<u>\$ 1,222,996</u>	<u>\$ 1,089,057</u>	<u>\$ 133,939</u>
Net changes in fund balances	\$ (539,261)	\$ 134,447	\$ 273,397	\$ (138,950)
Fund balances - beginning (non-GAAP and GAAP budgetary basis)	<u>539,261</u>	<u>1,388,918</u>	<u>664,999</u>	<u>723,919</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ -</u>	<u>\$ 1,523,365</u>	<u>\$ 938,396</u>	<u>\$ (584,969)</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals			(5,695)	
Expenditure accruals			(16,692)	
Fund balance - ending (GAAP basis)			<u>\$ 916,009</u>	

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) -
GOVERNMENTAL FUND - LIBRARY FUND
For the Year Ended December 31, 2009

	<u>Budget</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 535,072	\$ 730,307	\$ 764,034	\$ 33,727
Intergovernmental	77,894	69,729	67,546	(2,183)
Fees, charges, and commissions for services	1,800	2,500	2,640	140
Fines and forfeitures	800	1,250	1,445	195
Interest and miscellaneous	30,125	11,907	13,072	1,165
	<u>\$ 645,691</u>	<u>\$ 815,693</u>	<u>\$ 848,737</u>	<u>\$ 33,044</u>
Expenditures:				
Current:				
Culture and recreation	\$ 914,766	\$ 1,251,440	\$ 599,200	\$ 652,240
Capital outlay	60,000	49,000	24,566	24,434
	<u>\$ 974,766</u>	<u>\$ 1,300,440</u>	<u>\$ 623,766</u>	<u>\$ 676,674</u>
Excess (deficiency) of revenues over expenditures	\$ (329,075)	\$ (484,747)	\$ 224,971	\$ 709,718
Other financing sources (uses):				
Operating transfers in (out)	(12,000)	-	(20,000)	(20,000)
Net changes in fund balances	\$ (341,075)	\$ (484,747)	\$ 204,971	\$ 689,718
Fund balances - beginning (non-GAAP and GAAP budgetary basis)	328,905	475,959	461,574	(14,385)
Fund balances - ending (non-GAAP budgetary basis)	<u>(12,170)</u>	<u>\$ (8,788)</u>	\$ 666,545	<u>\$ 675,333</u>
Adjustments to generally accepted accounting principles:				
Revenue accruals			82,179	
Deferred revenue accruals			(88,478)	
Expenditure accruals			2,854	
Fund balance - ending (GAAP basis)			<u>\$ 663,100</u>	

OTHER SUPPLEMENTARY INFORMATION

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2009

	Health Unit	Off-Duty Officers	Criminal Court	Courthouse Maintenance	Total Non-Major Governmental Funds
ASSETS					
Cash	\$ 292,581	\$ 18,366	\$ 57,191	\$ 132,584	\$ 500,722
Certificates of deposit	5,531	-	-	-	5,531
Receivables	149,266	1,423	21,286	168	172,143
Restricted asset:					
Cash	-	-	-	96,233	96,233
Due from other funds	<u>270</u>	<u>-</u>	<u>738</u>	<u>-</u>	<u>1,008</u>
Total assets	<u>\$ 447,648</u>	<u>\$ 19,789</u>	<u>\$ 79,215</u>	<u>\$ 228,985</u>	<u>\$ 775,637</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,615	\$ 50	\$ 2,017	\$ 5,466	\$ 10,148
Due to other funds	4,249	-	28,930	3,397	36,576
Deferred revenue	150,352	-	-	-	150,352
Property taxes paid under protest	<u>6,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,533</u>
Total liabilities	<u>\$ 163,749</u>	<u>\$ 50</u>	<u>\$ 30,947</u>	<u>\$ 8,863</u>	<u>\$ 203,609</u>
Fund balances:					
Reserved for debt service	\$ -	\$ -	\$ -	\$ 96,233	\$ 96,233
Unreserved and undesignated	<u>283,899</u>	<u>19,739</u>	<u>48,268</u>	<u>123,889</u>	<u>475,795</u>
Total fund balances	<u>\$ 283,899</u>	<u>\$ 19,739</u>	<u>\$ 48,268</u>	<u>\$ 220,122</u>	<u>\$ 572,028</u>
Total liabilities and fund balances	<u>\$ 447,648</u>	<u>\$ 19,789</u>	<u>\$ 79,215</u>	<u>\$ 228,985</u>	<u>\$ 775,637</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009

	Health Unit	Off-Duty Officers	Criminal Court	Courthouse Maintenance	Total Non-Major Governmental Funds
Revenues:					
Taxes	\$ 134,129	\$ -	\$ -	\$ 280,349	\$ 414,478
Intergovernmental	15,765	-	-	-	15,765
Fees, charges, and commissions for services	-	-	1,682	-	1,682
Fines and forfeitures	-	20,375	296,576	-	316,951
Interest and miscellaneous	38,764	116	1,241	2,556	42,677
	<u>\$ 188,658</u>	<u>\$ 20,491</u>	<u>\$ 299,499</u>	<u>\$ 282,905</u>	<u>\$ 791,553</u>
Expenditures:					
Current:					
General government:					
Judicial	\$ -	\$ 4,299	\$ 255,964	\$ -	\$ 260,263
Other	-	-	-	229,705	229,705
Public works	-	-	-	7,140	7,140
Health and welfare	126,039	-	-	-	126,039
Debt service	-	-	-	85,021	85,021
Capital outlay	-	-	-	39,047	39,047
	<u>\$ 126,039</u>	<u>\$ 4,299</u>	<u>\$ 255,964</u>	<u>\$ 360,913</u>	<u>\$ 747,215</u>
Excess (deficiency) of revenues over expenditures	\$ 62,619	\$ 16,192	\$ 43,535	\$ (78,008)	\$ 44,338
Other financing sources:					
Operating transfers in	-	-	-	5,040	5,040
Net changes in fund balances	\$ 62,619	\$ 16,192	\$ 43,535	\$ (72,968)	\$ 49,378
Fund balances - beginning	221,280	15,150	22,061	293,090	551,581
Residual equity transfers in (out)	-	(11,603)	(17,328)	-	(28,931)
Fund balances - ending	<u>\$ 283,899</u>	<u>\$ 19,739</u>	<u>\$ 48,268</u>	<u>\$ 220,122</u>	<u>\$ 572,028</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF JURORS' COMPENSATION
For the Year Ended December 31, 2009

The schedule of compensation paid to jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Jury has elected the monthly payment method of compensation. Under this method, the jurors each received \$1,000 per month as follows:

Jesse Washington	\$ 12,000
Willie Tatum	12,000
Steve Lofton	12,000
Ronald Gilley	12,000
Judy Green	12,000
Kenneth McKay	12,000
Althan Smith	12,000
Sharon D. Gee	12,000
William Moore	<u>12,000</u>
 Total jurors' compensation	 <u>\$ 108,000</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	<u>Expenditures</u>
Department of Homeland Security/ Homeland Security and Emergency Preparedness/			
FEMA	97.036	1668	\$ 319,283
EMPG 2008	97.067		19,529
EMPG 2009	97.067		17,360
SHSP 2005, 2006, 2007, and 2008 Equipment	97.067		<u>61,445</u>
Total Department of Homeland Security			\$ 417,617
United States Department of Commerce/ Homeland Security and Emergency Preparedness/			
Public Safety Interoperable Communications Grant Program	11.555	PSICFY07	41,285
Not Identifiable/ Delta Regional Authority/ Crestview Sewer District	90.200	LA-5175	<u>131,823</u>
Total expenditures of federal awards			<u>\$ 590,725</u>

See note to schedule of expenditures of federal awards.

**RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA**

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009**

Note 1. Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of the Jury and is being presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Parish Police Jury (the "Jury"), as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements of the Jury's primary government and have issued our report thereon dated May 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jury's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jury's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Jury's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Jury's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2009-1 and 2009-4 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2009-2 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2009-3.

The Jury's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Jury's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, jurors, others within the Jury, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by Louisiana Legislative Auditor as a public document.

/s/Hill, Inzina & Co.

May 20, 2010

HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

Compliance

We have audited the compliance of Richland Parish Police Jury (the "Jury"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2009. The Jury's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Jury's management. Our responsibility is to express an opinion on the Jury's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Jury's compliance with those requirements.

In our opinion, the Jury, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Jury's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-1 and 2009-4 to be material weaknesses.

The Jury's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Jury's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, jurors, others within the Jury, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by Louisiana Legislative Auditor as a public document.

/s/Hill, Inzina & Co.

May 20, 2010

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH
MANAGEMENT'S RESPONSE AND PLANNED CORRECTIVE ACTION
As of and for the Year Ended December 31, 2009

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richland Parish Police Jury (the "Jury"), as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements of the Jury's primary government and have issued our report thereon dated May 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2009 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

- a. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Internal Control

Significant Deficiencies ☒ Yes ☐ No Material Weaknesses ☒ Yes ☐ No

Compliance

Material to Financial Statements ☒ Yes ☐ No

- b. Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Type of Opinion on Compliance
for Major Programs

Unqualified ☒ Qualified ☐
Disclaimer ☐ Adverse ☐

Internal Control

Significant Deficiency ☒ Yes ☐ No Material Weakness ☒ Yes ☐ No

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)?
☒ Yes ☐ No

c. Identification of Major Program:

CFDA Number 97.036
FEMA

Dollar threshold used to distinguish between Type A and Type B Programs \$300,000
Is the auditee a 'low risk' auditee, as defined by OMB Circular A-133? Yes ☒ No

Section II - Financial Statement Findings

2009-1 Inadequate Segregation of Duties (initially cited in first audit conducted by our firm as of and for the two years ended December 31, 1992)

Criteria: Adequate segregation of duties is essential to a proper internal control structure.

Condition: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic limitations.

Effect: Not determined.

Recommendation: No action is recommended.

Management's response and planned corrective action: Management does not have enough employees to adequately segregate the duties; however, changes have been made in the office to help ensure a system of checks and balances.

2009-2 Improvement of Internal Controls over Revenues and Expenditures (initially cited as of and for the year ended December 31, 2003)

Criteria: Management is responsible for establishing and implementing internal control policies and procedures that provide reasonable assurance that assets are safeguarded against loss resulting from unauthorized use and that transactions are executed in accordance with management's authorization.

Condition: The Jury's procedure manual does not include the Jury's standing policy as to reimbursement for mileage and meals while traveling out of the parish on behalf of the Jury.

Out of 58 disbursements examined (totaling \$102,475), six disbursements (totaling \$35,445) (34.6%) were not signed by the employee of the Jury responsible for receiving the goods/services.

The current parish manager and road foremen are not sure if adequate documentation was retained under the supervision of the former parish managers and road foremen or if it can be re-generated to satisfy the strict requirements of FEMA for requesting additional reimbursements totaling approximately \$830,000 already approved but not yet issued by FEMA.

A physical inventory of capital assets is not taken by the Jury periodically.

The Jury's OEP director let for bids, via the Jury's official journal, the purchase of 11 generators without the jurors' approval. A purchase order for the generators costing \$200,075 was issued and signed by the OEP director and assistant secretary treasurer even with the vendor noting in writing on the bids that they did not meet OEP (funding source) specifications. As of the date of this report, the generators have been installed but approval has not yet been given by the jurors for payment.

Several assets were advertised and sold as surplus without formal documentation in the minutes of the Jury's meetings that such assets were declared surplus. The bid on one of the surplus assets was accepted after being faxed to the Jury whereas the newspaper article specifically stated that the bids were to be mailed. A money order was delivered to the Jury by the then serving president from the named buyer for the sales proceeds from this same asset. The bill of sale accordingly was issued to the named buyer. The named buyer was contacted by another party during audit fieldwork and stated that he never purchased such van. Questions were raised as to the legality of the transaction as the then serving Jury president almost immediately gained possession of the asset.

A reading of the minutes of the Jury's meetings did not reveal that the currently serving Jury president in 2010 appointed another juror to serve as OEP (Office of Emergency Preparedness) director although the juror is serving in such capacity without compensation.

Minutes of the Jury's meeting did not include a formal motion being carried when the proposal to replace the roof on the parish's health unit was accepted. Documented in the minutes of another meeting was that bids were read aloud, but no specification as to what the bids were related to. A motion to give employees a "performance raise" was made in another meeting but died for lack of a second.

Employees of the Jury not participating in the group health insurance plan were being reimbursed an amount equal to the health premium of an employee actually participating. In the unofficial opinion of the legal counsel from the state's police jury association, such reimbursements should have been reported as additional compensation to the affected employees.

Detailed billings were not available for all cell phones utilized by employees of the Jury. Questions arose as to the personal use of cell phones and the Jury's lack of a policy related thereto.

Noted while reading the minutes of the Jury's meetings were motions that never carried approving the re-hiring or termination of an employee that had previously been suspended. The Assistant District Attorney has made written recommendations to the Jury concerning the status of the employee and actions required by the Jury.

As of the date of this report, the Jury has not been notified of the findings related to written correspondence dated January 30, 2009 from the Assistant Attorney General that he is investigating the "possible misuse of government materials" regarding a gravel situation. An incident/discipline report dated August 17, 2009 was also reviewed describing the incident of an employee using a Jury-owned bulldozer to spread soil on his property.

- Cause:** Employees of the Jury (including the jurors) have not accepted the value of such internal control procedures.
- Effect:** The failure to establish or to adhere to established internal controls could result in a loss of assets from unauthorized use or disposition or from transactions that are not in accordance with management's authorization.
- Recommendation:** The Jury should require strict adherence to all policies and procedures specified in the Jury's procedure manual and consider revising the manual.

Adequate supporting documentation should be available and signed by the employee of the Jury responsible for receiving the goods/services.

Extreme care should be taken by the Jury to retain supporting documentation, document expenditures, and make requests for additional reimbursements related to FEMA projects in accordance with FEMA's provisions and guidance.

A periodic physical inventory should be made of the capital assets owned and utilized by the Jury.

Bids received should be carefully reviewed insuring that they meet the specifications as stated and that they are awarded to the lowest bidder that meets the specifications.

Minutes of all meetings of the Jury should include sufficient, accurate, and complete documentation of all formal actions. Minutes of meetings should be carefully reviewed before being formally approved by the Jury.

Affected payroll documents should be amended to include the payment in lieu of health insurance premiums to some employees of the Jury if the Jury's local counsel is in agreement.

Detailed billings should be required on all cell phones issued by the Jury to its employees. Personal usage of the phones should be addressed in the Jury's procedure manual.

Formal action should be taken by the Jury to re-hire or terminate employees placed on suspension.

Appropriate actions should be taken by the Jury upon receiving the findings from investigations handled by the local district attorney's and attorney general's offices.

Management's
response and
planned cor-
rective action:

At the present, the Jury has retained a firm to revise its procedure manual. The issues with the policies for reimbursement for mileage and meals and cell phone usage are being addressed in the revised manual.

The Jury will continue to send out a memo to be signed by each employee at the beginning of each year emphasizing to its employees the importance of signing the supporting documents as evidence that the goods/services were actually received.

A periodic physical inventory is being made on capital assets owned and used by the Jury and management continues to stress the importance of performing an annual inventory of capital assets.

In the future, bids will be reviewed to make sure they are awarded to the lowest bidder.

Minutes of the Jury do include complete document all actions taken by the Jury. If there is an error or an item omitted from the minutes, the correction is made and re-printed in the Jury's official journal.

The Jury will decide if the affected payroll documents should be amended to include the equivalent health insurance premiums paid to some employees of the Jury. The Jury was not informed that there was a problem with reimbursing employees of the Jury not participating in the group health insurance an equal amount of the health premium of an employee actually participating.

The Jury will take whatever action it deems necessary concerning the findings from the investigations handled by the local district attorney's and attorney general's offices.

2009-3 Repayment of Amounts Due to Other Funds (initially cited as of and for the year ended December 31, 2004)

Criteria: Deposits to and expenditures from individual funds should be restricted to those amounts authorized by state statutes, tax propositions, budget ordinances, and management's authorization.

Condition: Amounts have been recorded as payable to other funds resulting from deposits being made to or payments being made from incorrect funds, coding errors, and for residual equity transfers required by law.

Cause: The majority of the dollar amounts recorded as being payable to other funds as of December 31, 2009 resulted from transactions occurring during the current year. Of the total \$349,630, \$191,849 of FEMA funds were deposited in error to the Drainage Maintenance Fund instead of the Road Maintenance Fund.

Effect: The affected individual funds should have access to the amounts to which they are legally entitled.

Recommendation: As funds become available, amounts due to other funds should be repaid.

Management's response and planned corrective action: Of the total \$349,630, \$191,849 of FEMA funds was not deposited in error; a portion of those funds should have gone into the Drainage Maintenance Fund. Funds will be reimbursed as funds become available.

2009-4 Internal Control over Financial Reporting (initially cited as of and for the year ended December 31, 2007)

Criteria: Management of the Jury should have suitable skill, knowledge, or experience to prepare financial statements, the related footnotes, and the supplementary information in accordance with accounting principles generally accepted in the United States of America. Internal controls should be adopted and implemented to prevent, detect, or correct a misstatement in the financial statements or footnotes.

Condition: Although management of the Jury does not actually prepare and draft the financial statements, the related footnotes, and the supplemental information, they do have the capability and experience to oversee the process. They provide all of the information to be included and they understand the presentation.

Cause: The condition is due to economic limitations.

Effect: Misstatements in the financial statements or footnotes may not be detected within a timely period.

Recommendation: No action is recommended.

Management's
response and
planned cor-
rective action:

We concur with the finding but it is not economically feasible for
corrective action to be taken.

Section III - Management Letter

None issued.

**RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2009**

Section I - Internal Control and Compliance Material to Financial Statements

2008-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to a proper internal control structure.

Unresolved - 2009-1.

**2008-2 Noncompliance with Local Government
Budget Act**

All action necessary to adopt and finalize budgets should be completed prior to the end of the preceding fiscal year.

Resolved.

**2008-3 Improvement of Controls Over
Expenditures/Disbursements**

Internal control policies and procedures have not been established or implemented to provide reasonable assurance that assets are safeguarded against loss resulting from unauthorized use and that transactions are executed in accordance with management's authorization.

Unresolved - 2009-2.

2008-4 Repayment of Amounts Due to Other Funds

Deposits to and expenditures from individual funds should be restricted to those amounts authorized by state statutes, tax propositions, budget ordinances, and management's authorization.

Unresolved - 2009-3.

**2008-5 Noncompliance with Adopting a System of
Road Administration**

Louisiana Revised Statute 48:755 requires the development of a capital improvement program on a selective basis, a construction program based on engineering plans and inspections, and a selective maintenance program.

Resolved.

2008-6 Internal Control over Financial Reporting

Management of the Jury should have the capability and experience to prepare and draft the financial statements and related footnotes.

Unresolved - 2009-4.

2008-7 Uncollateralized Deposits

Under state law, deposits (or the resulting bank balances) of the Jury must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Resolved.

Section II - Management Letter

None issued.